

CUSTOMER SERVICE POLICY OF THE BANK – MARCH 2015

I. INTRODUCTION

The guidelines/instructions on Services to be rendered to the customers and the standards, uniformity and efficiency in providing customer service across the branches are enshrined in the Customer Service Policy of the bank which is updated from time to time.

The consistent growth in Bank's business can be ensured only with an effective customer service at all levels. The quality and content of dispensation of customer service definitely requires a focused engagement for a hassle free delivery.

The Customer service policy with a priority objective of bank to meet customer requirements has been framed. This is directed to provide prompt, courteous and efficient service to the customers, which in turn:

- Reduces grievances /dissatisfaction amongst the customers,
- Helps in competing in the market on stronger footholds and more professional.

II. CUSTOMER

Broadly, a customer can be defined as a user or a potential user of bank services. So defined, a „Customer“ may include:

- a person or entity that maintains an account and/or has a business relationship with the bank;
- one on whose behalf the account is maintained (i.e. the beneficial owner);
- beneficiaries of transactions conducted by professional intermediaries, such as Stock Brokers, Chartered Accountants,
- Solicitors etc. as permitted under the law, and
- any person or entity connected with a financial transaction which can pose significant reputational or other risks to the bank, say, a wire transfer or issue of a high value demand draft as a single transaction.

III. “May I help you?” Counter

- The Counter should be manned by an Officer, who has
 - Good knowledge about the Bank;
 - Is of Helpful Nature; and Courteous in Behavior.

- The Officer should remain available for the customers during the banking hours.
- The photograph/Name/ Designation/Contact number of the „Floor Manager of the week“ shall be displayed at a conspicuous place in the branch hall for convenience of Customers.
- The Floor Managers shall also attend to enquiries/queries from the customers in Branch premises during the banking hours with courtesy to ensure management of the “May I help you Desks” for effective dispensation of customer service in branches. They shall ensure to share the responsibilities for helping the customers in their day to day operations.
- Displaying indicator boards at all the counters in English, Hindi as well as in the concerned regional language.
- Providing customers with booklets consisting of all details of service and facilities available at the bank in Hindi, English and the concerned regional languages.
- Use of Hindi and regional languages in transacting business by banks with customers, including communications to customers.

IV. Customer Service Committee Meetings at Branches

Customer Service Committee at Branch level will be constituted as under and will meet on 15th of every month. The meetings shall be in a structured form and the minutes of the meeting submitted in the prescribed format to R.O immediately.

(1) Metro/Urban Branch

- Branch Incumbent
- 2-3 other Staff Members
- Representatives of Workmen & Officers Association
- Customers including Senior Citizen, Young generation, Depositor and Borrower

(2) Semi-Urban & Rural

- All Staff Members
- Customers including Senior Citizen, Young generation, Depositor and Borrower

V. Customer Service Committee Meetings at Regional Offices

A) Customer Service Committee will be constituted as under and meeting shall be conducted quarterly.

- Regional Head
- AGMs / CMs / ARMs
- Manager (Staff) & Manager (Planning)
- Representatives of Workmen & Officers Association
- Customers including Senior Citizen, Young generation, Depositor and Borrower

Branches and Regional Offices shall comply with guidelines on conduct of meeting, reporting of proceedings etc. communicated vide HO/CS&P/23/2010-11/265 dated 30.8.2010.

B) Quarterly Customers Meet at RO to increase Awareness of IT Products and Services amongst Customers.

In addition to quarterly Meeting of Customer Service Committee at ROs, being conducted at present, the Regions will also conduct a Customers Meet, once a Quarter (Starting from the Quarter ending March 2015) to increase the Awareness about IT Products / Services / Facilities, amongst the Customers, especially the Young Generation Customers; as advised by Circular Letter HO/CS&P/2014-15/84 dated 20.01.2015, to all ROs.

The minutes of the Meeting, incorporating the suggestions / complaints, if any; alongwith the action taken / proposed to be taken be sent to Deptt of Information Technology for their information and taking necessary action (Wherever required), with a copy to CS&P.

VI. Nodal Department / Official for Customer Service

The Deputy General Manager Functional Head / General Manager (CS&P) is the designated Nodal Officer of the Bank. The Regional Head/ Code Compliance officers at Regional Offices of the bank shall be the Nodal Officers for the branches under their jurisdiction.

VII. Financial Inclusion

Basic Savings Bank Deposit Account (BSBDA) offers the following minimum common facilities to all their customers:

- i. The 'Basic Savings Bank Deposit Account' is a normal Savings Bank Account available to all.
- ii. This account shall not have the requirement of any minimum balance and as

such no charges for non maintenance of Minimum Balance. A nominal amount of Rs. 10/- for opening of an Account under the 'Scheme is required.

iii) One Free of Cost Cheque Book of 25 Leaves during a Calendar Year.

iv) The services available in the account will include deposit and withdrawal of cash at bank branch as well as ATMs; receipt / credit of money through electronic payment channels or by means of deposit / collection of cheques.

v) While there will be no limit on the number of deposits that can be made in a month, account holders will be allowed a maximum of six withdrawals (including ATM and Transfers) in a month, including ATM withdrawals, free of charge.

vi) Facility of ATM card or ATM-cum-Debit Card shall be provided

vii) No charge will be levied for non-operation / activation of in-operative 'Basic Savings Bank Deposit Account'.

viii) ECS, NEFT, Issuance of DD etc, are available and applicable service charges are levied as per bank's schedule of the Charges. (However Internet Banking facility is not permitted in the account)

ix) The 'Basic Savings Bank Deposit Account' would be subject to RBI instructions on Know Your Customer (KYC) / Anti-Money Laundering (AML) for opening of bank accounts issued from time to time. If such account is opened on the basis of simplified KYC norms, the account would additionally be treated as a 'Small Account' and would be subject to conditions stipulated for such accounts

IT-enabled Financial Inclusion

The bank has already initiated in a highly secured platform smart cards / mobile technology to extend banking services similar to those dispensed from branches.

VIII. Printed material in trilingual form

In order to ensure that banking facilities percolate to the vast sections of the population, bank has made available printed material used by retail customers including account opening forms, pay-in-slips, passbooks etc., in trilingual form i.e., English, Hindi and the concerned Regional Language.

IX. Opening / Operation of Deposit Accounts

Customer Identification Procedure for individual accounts

Banks has a well laid KYC / AML policy wherein the guidelines for opening of accounts and conduct of operations are specified.

Outward NEFT (N06)/ RTGS (R41) and Cheque Book

Outward NEFT (N06)/ RTGS (R41) and Cheque Book facility will not be available for first 7 days in any account of new customer.

Outward NEFT/RTGS from any branch other than the parent/base/home branch shall not be allowed. In case of Merger of branch or business shift on account of Bank's requirement, special arrangement shall be made by HO CBS Cell after getting approval from CS&P department on case to case basis.

Intra-Bank Transfer of Accounts

When customers approach branch for transferring their account from one branch of the bank to another branch it is advised that KYC once done by one branch of the bank should be valid for transfer of the account within the bank as long as full KYC has been done for the concerned account. The customer should be allowed to transfer his account from one branch to another branch without restrictions.

In case the address mentioned as per 'proof of address' undergoes a change, fresh proof of address may be submitted to the branch within a period of six months.

In case the proof of address furnished by the customer is not the local address or address where the customer is currently residing, the branch may take a declaration of the local address on which all correspondence will be made by the branch with the customer. No proof is required to be submitted for such address for correspondence/local address. However, this address shall be verified by the branch.

A. Savings Bank Rules

The Savings Bank Rules annexed as a tear-off portion to the account opening form shall be given to the account holder.

Branch shall obtain and keep on record photographs of all depositors/account holders in respect of accounts opened by them subject to the following:

- (i) These instructions cover all types of deposits including fixed, recurring, cumulative, etc.

(ii) They apply to all categories of depositors, whether resident or non-resident. Only Banks, Local Authorities and Government Departments (excluding public sector undertakings or quasi-Government bodies) will be exempt from the requirement of photographs.

(iii) The branch may not insist on photographs in case of accounts of staff members only (Single/Joint).

(iv) The branch should obtain photographs of all persons authorized to operate the accounts viz., Savings Bank and Current accounts without exception

(v) The branch should also obtain photographs of the 'Pardanashin' women.

(vi) The branch shall obtain two copies of photographs and obtaining photocopies of Driving licenses / passport containing photographs in place of photographs would not suffice.

(vii) The branch should not ordinarily insist on the presence of account holder for making cash withdrawals in case of 'self' or 'bearer' cheques unless the circumstances so warrant. The branch should pay 'self' or 'bearer' cheques taking usual precautions.

(viii) Photographs will not be a substitute for specimen signatures.

(ix) Only one set of photographs need be obtained and separate photographs should not be obtained for each category of deposit. The applications for different types of deposit accounts should be properly referenced to the Customer ID.

(x) Fresh photographs need not be obtained when an additional account is desired to be opened by the account holder.

(xi) In the case of operative accounts, viz. Savings Bank and Current accounts, photographs of persons authorized to operate them should be obtained. In case of other deposits, viz., Fixed, Recurring, Cumulative, etc., photographs of all depositors in whose names the deposit receipt stands may be obtained except in the case of deposits in the name of minors where guardians' photographs should be obtained.

a) Minimum Balance in Savings Bank Accounts

At the time of opening the accounts, branch shall ensure to inform the customers;

requirement of maintaining minimum balance and levying of charges etc., if the minimum balance is not maintained.

The branch shall display in the "Notice Board", at least one month in advance, the existing account holders of any change in the prescribed minimum balance and the charges that may be levied if the prescribed minimum balance is not maintained.

b) Non-levy of Penal Charges on non-maintenance of minimum balance in Inoperative Accounts.

RBI, vide their circular no. RBI2013-14/580 DBOD.Dir.BC.No.109/ 13.03.200/2013-14 dated May 6, 2014 advised the Banks that henceforth Banks are not to levy penal charges for non-maintenance of minimum balance in any inoperative accounts. The branches were advised vide Head Office CS&P Circular No. HO/CS&P/24/2014-15/250 dated 03.07.2014 to take a note of the RBI Instructions and ensure compliance. The Finacle system has also been customized accordingly.

c) Waiving off penal charges for non-maintenance of minimum balances in certain Savings Bank accounts

As per the recommendations of the Damodaran Committee, the system of levy of minimum balance charges has been examined; and Board vide item no, A-18 dated 27.02.2015 has approved total waiver of minimum balance charges in the Savings accounts schemes as mentioned below w.e.f 01.04.2015:

Saving Schemes

SB-204 Smart Pay (Salary Plus)	SB-214 Jeevan Sarthi
SB-212 Basic Saving Bank Deposit	SB-217 SB Vidyarthi
SB-216 Financial Inclusion	SB-221 Salary plus
SB-218 SB Balika	SB-205 NR Ordinary Savings
SB-220 Pension Account (Govt.)	SB-206 NRE Savings
SB-222 Small Account	SB-207 RFC Savings
SB-224 SB Kiosk (FI)	SB-223 SB Foreign Students
SB-228 SB DBT Deposit	SB-229 FCRA Saving Bank
SB-201 General Saving Bank Account	SB-235 Capital Gain SB- NRO
SB-203 for Senior Citizens-Pranam	SB-208 Capital Gain Savings
SB-213 Smart save WIPRO Salary	

d) Purchase of Local Cheques, Drafts, etc.,

There may be occasions when Clearing House operations may have to be temporarily suspended for reasons beyond the control of the authorities concerned.

Temporarily accommodation to both borrowers and depositors, within the delegated power

of the branch incumbent and as per norms of bank may be exercised for purchasing the local cheques, drafts, cheques drawn by Government departments / companies of good standing and repute after taking into consideration such factors as creditworthiness, integrity, past dealings and occupation of the constituents, so as to guard against any possibility of such instruments being dishonoured subsequently.

e) Statement of accounts / Pass Books

Issuance of Passbooks to Savings Bank Account Holders (Individuals)

A passbook is a ready reckoner of transactions and is handy and compact Branch should therefore offer pass book facility to all its savings bank account holders (individuals) and in case the customer chooses to get statement of account, the branch must issue monthly statement of accounts. The statements of accounts for current account holders may be sent to the depositors in a staggered manner instead of sending by a target date every month. The customers may be informed about staggering of the preparation of these statements. The issue of Pass Book or Statements will not carry any charge under normal circumstances.

f) Updating Passbooks

(i) Customers shall be requested by the branch staff to get the pass-books updated regularly and attach importance to this area.

(ii) Wherever pass-books are held back for updating, because of large number of entries, paper tokens indicating the date of its receipt and also the date when it is to be collected shall be issued.

(iii) It is sometimes observed that customers submit their passbooks for updation after a very long time. In addition to the instructions printed in the passbook, whenever a passbook is tendered for posting after a long interval of time or after very large number of transactions, a printed slip requesting the depositor to tender it periodically should be given.

g) Entries in Passbooks / Statement of Accounts

Branch should ensure to give correct and legible entry in the pass book. The “finacle” has been enabled to provide adequate details in the entries. However if the customer approaches for further details the same shall be provided.

h) Maintenance of Savings Bank Pass Books: Precautions

Negligence in taking adequate care in the custody of savings bank pass books

facilitates fraudulent withdrawals from the relative accounts. A few precautions in this regard are given below:

- (i) Branches should accept the pass books and return them against tokens.
- (ii) Pass books remaining with the branches should be held in the custody of named responsible officials.
- (iii) While remaining with the branch, pass books should be held under lock and key overnight.
- (iv) Further, the Inspecting Officers to carry out sample check at the time of internal inspection whether the statements are being dispatched in time.

In order to improve the quality of service available to customers, branches shall provide the address / telephone number of the branch on the Pass Books / Statement of Accounts.

i) Issue of Cheque Books

Branch may issue cheque books with larger number of (20/25) leaves if a customer demands the same and also ensure that adequate stocks of such cheque books 20/25 leaves maintained with the branch to meet the requirements of the customers.

Branches should take appropriate care while issuing large number of cheque books. It should be done in consultation with Regional Office in case of marketing firms, Chit fund etc who issue advance cheques to avoid misuse.

j) Writing the cheques in any language

The customer may write cheques in Hindi, English or in the concerned regional language.

k) Dispatching the cheque book by courier

Branch should not obtain any undertakings from depositors for dispatch of cheque book through courier and ensure that cheque books are delivered over the counters on request to the depositors or his authorized representative.

l) Acceptance of cheques bearing a date as per National Calendar (Saka Samvat) for payment

Government of India have accepted Saka Samvat as National calendar with effect

from 22 March 1957 and all Government statutory orders, notifications, Acts of Parliament, etc. bear both the dates i.e., Saka Samvat as well as Gregorian Calendar. An instrument written in Hindi having date as per Saka Samvat calendar is a valid instrument. Cheques bearing date in Hindi as per the National Calendar (Saka Samvat) should, therefore, be accepted by branch for payment, if otherwise in order. The branch shall ascertain the Gregorian calendar date corresponding to the National Saka calendar in order to avoid payment of stale cheques.

B. Term Deposit Account

a) Issue of Term Deposit Receipt

Branch should issue term deposit receipt in the prescribed format containing therein full details, such as, date of issue, period of deposit, due date, applicable rate of interest, etc.

b) Transferability of Deposit Receipts

In CBS environment Term deposits are freely transferable from one branch to another without any loss of interest to customer.

c) Disposal of Deposits

Advance instructions from depositors for disposal of deposits on maturity should be obtained in the application form itself.

Wherever such instructions are not obtained, branch should ensure sending intimation of impending due date of maturity well in advance to the depositors in the prescribed format as available in "finacle".

d) Notifying the change in Interest Rates

Change in interest rate on deposits should be displayed in the Notice Board branches expeditiously.

e) Payment of interest on fixed deposit - Method of calculation of interest

Indian Banks Association (IBA) Code for Banking Practice has been issued by IBA for uniform adoption by the Member Banks. For the purpose of calculation of interest on domestic term deposit, repayable in less than three months or where the terminal quarter is incomplete, interest should be paid proportionately for the actual number of days reckoning the year at 365 days. Information to the depositors about the manner of calculation of interest should be given to them while accepting the deposits and

display the same at the branches.

f) Premature withdrawal of Term Deposit

g) Repayment of Term / Fixed Deposits

h) Domestic Term Deposits- Interest Rate payable on Premature Withdrawals

i) Payment of Interest on Overdue Term Deposit

j) Renewal of Overdue Term Deposits

k) Addition or Deletion of the name/s of Joint Account Holders

Above mentioned points (f), (g), (h), (i), (j) and (k) are elaborated in „Oriental Bank of Commerce Policy on Bank Deposits 2014”

X. FROZEN ACCOUNTS - For Term Deposits

1. In cases where no instructions for renewal/ disposal of the maturity proceeds are given at the time of placing the deposit, the customer be intimated before 15 days of the maturity date of deposit to submit instructions for renewal of term deposit and also indicate the term for which the deposit is to be renewed. In case the depositor does not exercise his option of choosing the term for renewal, the Term Deposit be renewed for a term equal to the original term.

2. After receipt of instructions from the depositor, the Term Deposit be renewed in the system but no fresh Term Deposit Receipt be issued. While doing so, it shall be ensured that caution regarding freezing of account as per orders of enforcement authorities remains marked in the system i.e. freeze orders are duly incorporated in the renewed folio.

3. Renewal of deposit be advised to the concerned Government Department in all the cases by Speed post / Registered Post under intimation to the depositor. The depositor be also intimated about the ROI at which the deposit has been renewed.

4. In cases where instructions for renewal of term deposit are received within 14 days of the date of maturity of original deposit, the renewal be done w.e.f. the date of maturity at interest rate applicable as on the due date. In cases where instruction for renewal is received beyond 14 days from the date of maturity, the deposit receipt be renewed from the Date of Request, at the prevailing rate of interest as on the date of request for the period of renewal. The interest for the overdue period be permitted as per the policy in vogue and kept in a separate interest free account (being opened separately for this purpose by DIT) and be released when the original term deposit is released.

a. Acknowledgement by branches at the time of submission of Form 15-G / 15-H

Branches are not required to deduct TDS from depositors who submit declaration in Form 15-G/15-H under Income Tax Rules, 1962. However, instances are there that despite submission of Form 15-G/15-H by customers, branches are deducting tax at source, at times, causing inconvenience to customers resulting in a number of complaints. Such instances arise because either the forms are misplaced or a track is not kept of forms received in the branches.

With a view to protect interest of the depositors and for rendering better customer service, branches are advised to give an acknowledgment at the time of receipt of Form 15-G/15-H. This will help in building a system of accountability and customers will not be put to inconvenience due to any omission on part of the branches.

All Field Functionaries have been advised to ensure that an acknowledgement is invariably given to the depositor at the time of receipt of Form 15-G/15-H. Such acknowledgement may be given on the copy of the Form 15-G/15-H submitted by the depositor.

All other guidelines on applicability of form 15G/15-H are contained in HO Cir. HO/ACT/27/2012-13/565 dated 01.11.2012 and Cir. HO/ACT/02/ 2013-14/56 dated 20.04.2013; as also in the CS&P HO Circulars dated 26.03.2011 and 07.06.2013.

b. Timely Issue of TDS Certificate to Customers

Some branches are not providing TDS Certificate in Form 16A to their customers in time, causing inconvenience to customers in filing income-tax returns.

With a view to protect the interests of the depositor and for rendering better customer service, branches have been advised to provide TDS Certificate in Form 16A, to their customers in respect of whom they have deducted tax at source, well within the time-frame prescribed under the Income Tax Rules; as detailed in Accounts Deptt HO Circulars dated 01.11.2012 and 11.11.2013.

c. For Savings Bank accounts

The existing procedure of crediting the interest to the account on a regular basis shall continue as per the system in vogue.

XI. ACCEPTANCE OF CASH OVER THE COUNTER

Branches are advised to accept cash over the counters from all their customers who desire to deposit cash at the counters.

XII. EXCHANGE OF SOILED / MUTILATED CURRENCY NOTES AT BRANCHES

All branches of the bank along with currency chest branches maintained by the Bank will exchange soiled/mutilated/cut notes of all denominations free of cost. No essential feature of the note should be missing. Currency exchange facility is offered to the Bank's customers and public in general (walk-in-customers). All the branches should prominently display at the Notice Board for information of Customers.

The Bank follows RBI guidelines in this respect. RBI has permitted the banks to exchange mutilated currency notes which are genuine and where mutilations are such as not to cause any suspicion or fraud. The Refund value of these mutilated currency notes are, however, paid as per Reserve Bank of India (Note Refund) Rules 2009.

Note Counting Machines / Paper Banding Machines / Clean Note Policy

Note Counting / Paper Banding Machines has been provided at all the Branches in line with the Guidelines in vogue, for ensuring enhancement in the Quality of Customer Service and in compliance of the Clean Note Policy of the Reserve Bank of India/the bank.

XIII. OPENING ACCOUNTS IN THE NAME OF MINORS WITH MOTHERS AS GUARDIANS

Branches shall allow minors' accounts (fixed and savings only) with mothers as guardians to be opened, whenever such requests are received by them, subject to taking adequate safeguards in allowing operations in the accounts by ensuring that the minors' accounts opened with mothers as guardians are not allowed to be overdrawn and that they always remain in credit. In this way, the minors' capacity to enter into contract would not be a subject matter of dispute. By taking this precaution the banks' interests would be adequately protected.

A savings / fixed / recurring bank deposit account can be opened by a minor of any age through his / her natural or legally appointed guardian.

The minor can open Savings Bank Account and the same can be operated by the natural guardian or by minor himself / herself (for depositing amounts in the account and self withdrawals) if he/she is of the age of above 10 years on his/ her furnishing a satisfactory proof of age. The account can also be opened jointly.

On attaining majority, the erstwhile minor should confirm the balance in his / her account and if the account is operated by the natural guardian / legal guardian, fresh operating instructions and specimen signature of erstwhile minor should be obtained and kept on record for all operational purposes.

XIV. OPENING OF CURRENT ACCOUNTS - NEED FOR DISCIPLINE

- ❖ Branch should scrupulously ensure that they do not open current accounts of entities which enjoy credit facilities (fund based or non-fund based) from the banking system without specifically obtaining a No-Objection Certificate from the lending bank(s).
- ❖ Non-adherence to the above discipline could be perceived to be abetting the siphoning of funds and such violations which are either reported to RBI or noticed during inspection would make the concerned banks liable for penalty under Banking Regulation Act, 1949.
- ❖ The CIBIL Report of the entity (Individual / firm / company) should be checked to ensure that the entity does not have any borrowing arrangement with other banks / other branches of our Bank and is not on the list of defaulters. CIBIL charges may be borne by the Bank.
- ❖ Branch may open current accounts of prospective customers in case no response is received from the existing bankers after a minimum waiting period of a fortnight. If a response is received within a fortnight, branch should assess the situation with reference to information provided on the prospective customer by the bank concerned and are is required to solicit a formal no objection, consistent with true freedom to the customer of banks as well as needed due diligence on the customer by the bank.
- ❖ In case of a prospective customer who is a corporate or large borrower enjoying credit facilities from more than one bank, the banks should exercise due diligence and inform the consortium leader, if under consortium, and the concerned banks, if under multiple banking arrangement.

XV. RECONCILIATION OF TRANSACTIONS AT ATMs FAILURE - TIME LIMIT

Bank will reimburse to the customers the amount wrongfully debited within a maximum period of 7 days from the date of receipt of customer complaints.

For any delay to re-credit the customers' account within 7 working days from the date of receipt of the complaint, the bank shall pay compensation of Rs.100 per day to the aggrieved customer. This compensation shall be credited to the customer's account automatically without any claim from the customer, on the same day when the bank affords the credit for the failed ATM transaction.

Lodging of ATM related Complaints

The following information should be displayed prominently at the ATM locations:-

- (i) Information that complaints should be lodged at the branch where customer maintain accounts to which ATM card is linked;
- (ii) Telephone numbers of help desk / contact persons of the ATM owning branch to lodge complaint / seek assistance.

ATM / CARD / ELECTRONIC MODE TRANSACTIONS AND SECURITY MEASURES

Transactions at ATM-Procedural Amendment - Pin Validation for Every Successive Transaction

The process flow followed for ATM transactions varies from bank to bank. The type of card readers installed by each ATM vendor also contributes to the variation in the process flow. Security concerns arise in the case of certain type of card readers which facilitate multiple transactions without the need for pin validation for every successive transaction. The possibility of frauds / misuse of cards is very high in a scenario where the card is inserted in such reader slots, the card holder fails to collect the card after the transaction is completed. This risk can be eliminated to a great extent, if the process flow demands pin validation for every transaction. The process flow provides for the pin validation for every transaction, including balance enquiry facilitated through ATM. Further, as an additional safety measure, the time-out of sessions have been enabled for all screens / stages of ATM transaction keeping in view the time required for such functions in normal course.

Security Issues and Risk mitigation measures- Online alerts to the cardholder for usage of credit/debit cards

Banks were mandated to send online alerts to the cardholders for all Card Not Present (CNP) transactions for the value of ` 5000/- and above. The incidents of unauthorized / fraudulent withdrawals at ATMs came to the notice of RBI. It has therefore been decided that online alerts for all types of transactions, irrespective of the amount, involving usage of cards at various channels will be sent. This measure is expected to encourage further usage of cards at various delivery channels. The Bank has also provided easier methods (like SMS) for the customer to block his card and get a confirmation to that effect after blocking the card. Besides, the Customers can also block their cards by calling the Bank's Customer Care Centre / Bank's Help Line at the Toll Free Number, and can get blockage reference number.

Security Issues and Risk mitigation measures related to Card Not Present (CNP) Transactions

Banks have been mandated to necessarily put in place additional factor of authentication/validation based on information not visible on the cards for all on-line Card not Present (CNP) transactions, starting with online transactions followed by Interactive Voice Response (IVR), Mail Order Telephone Order(MOTO) and Standing Instructions (SI). In the case of MOTO and SI transactions, it has been stated that in case of customer complaint regarding issues, if any, arising out of transactions effected without the additional factor of authentication after the stipulated date, the issuer bank has to reimburse the loss to the customer further without demur.

Securing Electronic Payment Transactions

The electronic modes of payment like RTGS, NEFT, Mobile / Net Banking and IMPS have emerged as channel agnostic modes of funds transfer. These have picked up to a large extent through the internet banking channel and hence it is imperative that such delivery channels are also safe and secure. Some of the additional measures that have been introduced by the Bank are as follows:

- (i) Limit on the number of beneficiaries that may be added in a day per account has been fixed.
- (ii) A system of alert has been introduced when a beneficiary is added.
- (iii) Bank has put in place a mechanism for velocity check on the number of transactions effected per day / per beneficiary and any suspicious operations are subjected to alert within the bank and to the customer.
- (iv) Introduction of additional factor of authentication in terms of One Time Password (OTP) for such payment transactions has been implemented.
- (v) Capturing of Internet Protocol (IP) address as an additional validation check has been introduced.

XVI. LEVY OF SERVICE CHARGES

Fixing service charges by banks -Ensuring Reasonableness of Bank Charges

The bank has in place Board approved Service Charges for the services rendered to the customer wherein the Reasonableness of Bank Charges have been ensured as per the guidelines of BCSBI.

RTGS charges for Customers

The Maximum charges that the Bank levies for RTGS transactions, in line with the RBI Guidelines, are circulated in the Circular on Service Charges. These are also available on the Bank's Website, and the same is subject to change as per RBI Directions.

Home Loans-Levy of fore-closure charges/pre-payment penalty

The Reserve Bank of India, vide its Circular No. DBOD.Dir.BC.No.110/ 13.03.00/2013-14 dated May 07, 2014 has advised all the Banks to do away with prepayment penalty / foreclosure charges on all floating rate term loans sanctioned to individual borrowers. In compliance with RBI Guidelines, the prepayment penalty / foreclosure charges under Retail Loans, sanctioned on floating rate of interest to individual borrowers has been waived off, vide HO Circular No. HO;Retail:07:2014-15:101 dated May 10 2014. However, the waiver instructions will not be applicable on following Retail Loans:

- Loan facilities other than Term Loans
- Loans sanctioned on fixed rate of interest
- Credit facilities sanctioned in favour of person other than individuals.

The prepayment charges on Home Loan stand fully waived including shifting of Home Loan Account to other Bank / Financial Institution.

Uniformity in Intersol Charges

In line with the RBI instructions and the spirit on reasonableness of bank charges, the customers of the Bank are being treated uniformly at any sales or service delivery point without discriminating them on the basis of 'home' / 'base' branch and 'non-home' / 'non-base' branches.

The Bank follows a uniform, fair and transparent pricing policy and does not discriminate between the customers at home branch and non-home branches. Accordingly, if a particular service is provided free at home branch, the same is also available free at non home branches. There is no discrimination as regards intersol charges between similar transactions done by customers at home branch and those done at non-home branches

Charges for Sending SMS Alerts

Indian Bank Association, vide their letter No. PS&BT/RBI/8254 dated 09.11.2013 advised the Banks that the SMS alert charges levied by the Bank to its customers should be reasonable and not out of line with the average cost of providing these services. Accordingly, with a view

to ensuring reasonableness and equity in the charges levied by banks for sending SMS alerts to customers, the Bank has leveraged the technology available to ensure that such charges are levied on all customers on actual usage basis w.e.f 01/07/2014.

Accordingly, all SMS alerts are being sent free, except the following four security alerts, where the actual cost of alerts is recovered:

1. Instrument based or Cash transactions
2. Cheque book issue
3. Cheque presenting for clearing
4. Cheque bounce

XVII. BANKING HOURS / WORKING DAYS OF BANK BRANCHES

Service at the Counters:

a. BUSINESS AND WORKING HOURS:

Commencement of working hours for the staff at the branches / extension counters should be 15 Minutes before the commencement of the business hours, so that when the business hours start / customers enter branch premises / banking hall, each and every counter should be ready to receive them and render all the services, as may be needed by them.

Branch Incumbents / Hall In-Charge should ensure that all the Customers who enter branch premises / banking hall before the close of business hours are attended to.

Further, Business hours for all banking transactions except cash should be up till one hour before the close of the working hours.

Bank has implemented 100% CBS Regional Heads, ensuring security, may extend business hours for public dealings i.e. including for Cash Transactions at the branches considered necessary, to provide flexibility in time for rendering banking services to various customer segments so as to serve and market more and more customer segments in the locality; in line with the practice followed by the other banks / competitors in the locality; to reduce rush of customers at the peak hours by extended time; etc. All the Regional Offices should ensure to send the extended business hour information regarding the Branches, as decided / implemented by them, to the General Administration Dept., Head Office and the Department of

Information Technology, Head Office for updating Branch Directory / Branch Locator information in the website of the Bank.

Branches should normally function for public transactions at least for 4 hours on week days and 2 hours on Saturdays in the larger interest of public and trading community. Extension counters, satellite offices, one man offices or other special class of branches may remain open for such shorter hours as may be considered necessary with the approval of CS&P, H.O.

b. CHANGES IN BANKING HOURS

No particular banking hours have been prescribed by law. However it should be ensured that there is no infringement of any other relevant local laws such as Shops and Establishment Act, etc.

It is also necessary to ensure banks' obligations, to the staff under the Industrial Awards / Settlements, and consult Clearing House authority of the place in this regard.

The banks' branches in rural areas can fix the business hours (i.e., number of hours, as well as timings) and the weekly holidays to suit local requirements. This may, however, be done subject to the guidelines given above. The permission for fixing the working hours should be obtained from CS&P, H.O and due notice to customers should be ensured.

c. EXTENDED BUSINESS HOURS FOR NON-CASH BANKING TRANSACTIONS

Branches should extend business hours for banking transactions both Cash and other than cash, up till one hour before close of the working hours.

The following non-cash transactions should be undertaken by banks during the extended hours, i.e., up to one hour before the close of working hours:

(a) Non-voucher Generating Transactions:

- (i) Issue of pass books/statement of accounts;
- (ii) Issue of cheque books;
- (iii) Delivery of term deposit receipts/drafts;
- (iv) Acceptance of share application forms;
- (v) Acceptance of clearing cheques;
- (vi) Acceptance of bills for collection.

(b) Voucher generating transactions:

- (i) Issue of term deposit receipts;
- (ii) Acceptance of cheques for locker rent due
- (iii) Acceptance of individual cheques for transfer credit.

Branch shall display in the Notice for information of the customers the services to be rendered during the extended hour.

XVIII. NOTICE BOARDS

(Latest Guidelines: HO/CS&P/68/2014-15/641 dated November 07, 2014)

The existing mandatory instructions have been broadly grouped into four categories and given in a Comprehensive Notice Board which has been conveyed to ROs/ Branches. The minimum size of the Board may be 2 feet by 2 feet as Board of such a size would facilitate comfortable viewing from a distance of 3 to 5 meters. Branches should display the information in the Notice Boards as per the format for the Comprehensive Notice Board.

(a) The notice board should be updated on a periodical basis and the board should indicate the date up to which the board was updated (incorporated in the display board)

(b) The pattern, colour and design of the board for the display has also been conveyed for uniformity to be simple and readable.

(c) The language requirement is bilingual in Hindi speaking states and trilingual in other states).

(d) The notice board should specifically indicate wherever recent changes have been done. For instance, if there is a recent change in the SSI loan products offered by the bank, the information on the SSI loan products may be displayed as 'We offer SME loans/products (changed on).

(e) The notice board may also indicate a list of items on which detailed information is available in booklet form which shall be in Arial font 10 so that the customers are able to easily read the same and made available on request.

Further, in addition to the above Board, the branch should also display details such as Name of the bank / branch, Working Days, Working Hours and Weekly Off-days' outside the branch premises.

Booklets / Brochures

The detailed information as indicated in the Notice Board should be made available in various booklets / brochures as decided by the bank. These booklets / brochures should be kept in a separate file / folder in the form of “replaceable pages” so as to facilitate copying and updation.

The detailed information as indicated in the Notice Board is also made available on the bank’s web-site.

Other modes of display

Bank may consider displaying of all the information that has to be given in the booklet form in the touch screen by placing them in the information kiosks. Scroll Bars etc. depending on the requirements at the branches.

However, branches shall ensure that the mandatory displays shall not be obstructed in anyway. As customer interest and financial education are sought to be achieved by the mandatory display requirements, they should also be given priority over the other display boards.

Information relating to Government sponsored schemes as applicable location-wise may be displayed according to their applicability.

XIX. DISPLAY OF INFORMATION

Interest Rates and Service Charges - Rates at a quick glance

Information relating to interest rates and service charges which would enable the customer to obtain the desired information at a quick glance is displayed in the format devised by Reserve Bank on the website.

Disclosure of Information by banks in the public domain

Disclosures increase transparency in operations and also help to create awareness among customers about the products and services offered by the bank. The details, made available for public viewing through websites of bank are:

I. Policy / Guidelines

- (i) Citizen's Charter
- (ii) Deposit Policy
- (iii) Cheque Collection & Compensation Policy
- (iv) Fair Practices Code for Lenders
- (v) Code for Collection of Dues and Repossession of Security

II. Complaints

- (i) Grievance Redressal Mechanism
- (ii) Information relating to Banking Ombudsmen

III. Opening of Accounts

- (i) Account Opening Forms
- (ii) Terms and Conditions
- (iii) Service Charges for various types of services
- (iv) Interest rates on Deposits
- (v) Minimum balances - along with corresponding facilities offered.

IV. Loans and Advances

- (i) Application forms relating to certain loans and advances
- (ii) Processing fees and other charges
- (iii) Interest rates on Loans and Advances

V. Branches

- (i) Details of branches along with addresses and telephone numbers (with search engine for queries relating to branch location)
- (ii) Details of ATMs along with addresses

XX. OPERATION OF ACCOUNTS BY OLD & INCAPACITATED PERSONS

Facility to sick/old/incapacitated non-pension account holders

The facilities offered to pension account holders are extended to the non-pension account holders also who are sick / old / incapacitated and are not willing to open and operate joint accounts.

i. Types of sick / old / incapacitated account holders

The cases of sick / old / incapacitated account holders fall into following categories:

- (a) An account holder who is too ill to sign a cheque / cannot be physically present in the bank to withdraw money from his bank account but can put his/her thumb impression on the cheque/withdrawal form;
- (b) An account holder who is not only unable to be physically present in the bank but is also not even able to put his/her thumb impression on the cheque/withdrawal form due to certain physical incapacity.

ii. Operational Procedure

With a view to enabling the old / sick account holders operate their bank accounts, branch should follow the procedure as under:-

(a) Wherever thumb or toe impression of the sick/old/incapacitated account holder is obtained, it should be identified by two independent witnesses known to the bank, one of whom should be a responsible branch official.

(b) Where the customer cannot even put his / her thumb impression and also would not be able to be physically present in the branch, a mark can be obtained on the cheque / withdrawal form which should be identified by two independent witnesses, one of whom should be a responsible branch official.

(c) The customer may also be asked to indicate to the bank as to who would withdraw the amount from the bank on the basis of cheque / withdrawal form as obtained above and that person should be identified by two independent witnesses. The person who would be actually drawing the money from the bank should be asked to furnish his signature to the bank.

iii) Opinion of IBA in case of a person who cannot sign due to loss of both hands

Opinion obtained by the Indian Banks Association from their consultant on the question of opening of a bank account of a person who has lost both his hands and could not sign the cheque / withdrawal form is as under:

“In terms of the General Clauses Act, the term “Sign” with its grammatical variations and cognate expressions, shall with reference to a person who is unable to write his name, include “mark” with its grammatical variations and cognate expressions. The Supreme Court has held in AIR 1950 - Supreme Court, 265 that there must be physical contact between the person who is to sign and the signature can be by means of a mark. This mark can be placed by the person in any manner. It could be the toe impression, as suggested. It can be by means of mark which anybody can put on behalf of the person who has to sign, the mark being put by an instrument which has had a physical contact with the person who has to sign”.

iii. Bank Branches / ATMs made accessible to persons with disabilities

Bank is taking necessary steps to provide all future ATMs (wherever feasible) with ramps so that wheel chair users / persons with disabilities can easily access them and also make arrangements in such a way that the height of the ATM does not create an impediment in its use by a wheelchair user. Bank is also taking appropriate steps including providing ramps at the entrance of the bank branches (wherever feasible) so that the persons with disabilities / wheel chair users can enter the bank branches and conduct business without much difficulty.

iv. Providing banking facilities to Visually Impaired Persons

In order to facilitate access to banking facilities by visually challenged persons, branch should offer banking facilities including cheque book facility / operation of ATM / locker etc., to the visually challenged as they are legally competent to contract.

In the Case No. 2791/2003, the Honourable Court of Chief Commissioner for Persons with Disabilities had passed Orders dated 05.09.2005 wherein the Honorable Court has instructed that banks should offer all the banking facilities including cheque book facility, ATM facility and locker facility to the visually challenged and also assist them in withdrawal of cash.

Further, in Paragraph 14 of the above Order, the Honorable Court has observed that visually impaired persons cannot be denied the facility of cheque book, locker and ATM on the possibility of risk in operating / using the said facility, as the element of risk is involved in case of other customers as well.

Branch should therefore ensure that all the banking facilities such as cheque book facility including third party cheques, ATM facility, Net banking facility, locker facility, retail loans, credit cards etc., are invariably offered to the visually challenged without any discrimination.

Branch should also render all possible assistance to the visually challenged for availing the various banking facilities.

v. Easy Access to Bank Branches and ATMs by persons with Disabilities

As per the directives from Reserve Bank of India vide circular no RBI/2013-14/598 DBOD.No.Leg.BC.113 /09.07.005/2013-14 dated May 21, 2014 and RBI/2008-09/431 DBOD.No.Leg.BC.123 /09.07.005/2008-09 dated April 13, 2009, Banks have been advised to ensure the following for easy access to bank branches and ATMs by persons with disabilities for undertaking day to day banking transactions:

- (i) Talking ATMs i.e. the display screens to give audio instructions
- (ii) Ramps at ATM sites for easy access to ATM
- (iii) Braille keypads of ATMs for blind customers
- (iv) Magnifying glasses at branches for persons with low vision

Accordingly, the Field Functionaries have already been advised:

To take necessary steps to provide all existing ATMs/future ATMs with ramps so that wheel chair users / persons with disabilities can easily access them. Care may also be taken to make arrangements in such a way that the height of the ATMs do not create an impediment in their use by wheelchair users. However, in cases where it is impracticable to provide such ramp facilities, whether permanently fixed to earth or otherwise, the same be informed to DIT, HO.

To take appropriate steps, including providing of ramps at the entrance of the bank branches, wherever feasible, so that the persons with disabilities/wheel chair users can enter bank branches and conduct business without difficulty.

To ensure provision for magnifying glasses in all bank branches for the use of persons with low vision, wherever they require for carrying out banking transactions with ease.

Talking ATMs i.e. the display screens to give audio instructions

To display at a notice at prominent place about the availability of talking ATMs with Braille keypads & magnifying glasses and other facilities available for persons with disabilities.

vi) Guidelines framed by IBA based on the judgement of Chief Commissioner for Persons with Disabilities

Indian Banks' Association has framed operational guidelines for implementation of its member banks on providing banking facilities to persons with disabilities. Talking ATMs with Braille keypads to facilitate use by persons with visual impairment

Banks should make at least one third of new ATMs installed as talking ATMs with Braille keypads and place them strategically in consultation with other banks to ensure that at least one talking ATM with Braille keypad is generally available in each locality for catering to needs of visually impaired persons. Banks may also bring the locations of such talking ATMs to the notice of their visually impaired customers.

vii. Legal Guardianship Certificates issued under the Mental Health Act, 1987 and National Trust for the welfare of persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 – For the purpose of opening / operating Bank Accounts.

The RBI, vide their Circular No. RBI/2013-14/444DBOD/No.Leg..BC.54/09.07.005/2013-14 dated 13.01.2014 and in supersession of their earlier instructions circulated the following guidelines applicable for the purpose of opening / operating bank accounts:

- i) The Mental Health Act, 1987 provides for a law relating to the treatment and care of mentally ill persons and to make better provision with respect to their property and affairs. According to the said Act, “mentally ill person” means a person who is in need of treatment by reason of any mental disorder other than mental retardation. Sections 53 and 54 of this Act provide for the appointment of guardians for mentally ill persons and in certain cases, managers in respect of their property. The prescribed appointing authorities are the district courts and collectors of districts under the Mental Health Act, 1987.
- ii) The National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 provides for a law relating to certain specified disabilities. Clause (j) of Section 2 of that Act defines a “person with disability” to mean a person suffering from any of the conditions relating to autism, cerebral palsy, mental retardation or a combination of any two or more of such conditions and includes a person suffering from severe multiple disabilities. This Act empowers a Local Level Committee to appoint a guardian, to a person with disabilities, who shall have the care of the person and property of the disabled person.
- iii) RBI has advised to take note of the legal position stated above and may rely on and be guided by the orders/certificates issued by the competent authority, under the respective Acts, appointing guardians/managers for the purposes of opening/operating bank accounts. In case of doubt, care may be taken to obtain proper legal advice.

The branches are to give proper guidance to their customers so that the guardians / managers of the disabled persons do not face any difficulties.

XXI. Remittances

Remittance -Remittance of Funds for Value Rs. 50,000/- and above

Branch should ensure that any remittance of funds by way of demand drafts / mail / telegraphic transfer or any other mode for value of Rs. 50,000 and above is effected by debit to the customer's account or against cheques and not against cash payment.

Demand Drafts

a. Issue of Demand Drafts

A draft is uniformly valid for a period of three months and procedure for revalidation after

three months should be followed as per the Bank's guidelines.

Branch should ensure that drafts of small amounts are issued against cash to all customers irrespective of the fact whether they are having accounts with the branch or not after adhering to the KYC requirements. The counter staff should not refuse to accept small denomination notes from the customers (or non customers for issuance of the drafts).

b. Encashment of drafts

Under CBS environment Payment of draft should not be delayed/refused for want of details of demand draft after exercising necessary precaution, payment should be made.

Passport, postal identification card, other valid identification document should deem to be adequate identification for encashment of drafts.

c. Issue of Duplicate Demand Draft

Duplicate draft, in lieu of lost draft, should be issued to the purchaser as per prescribed norms of the Bank.

Branch should issue duplicate Demand Draft to the customer within a fortnight from the receipt of such request as any delay beyond this stipulated period attract interest at the rate applicable for fixed deposit of corresponding maturity in order to compensate the customer for such delay. The period of fortnight prescribed would be applicable only in cases where the request for duplicate demand draft is made by the purchaser or the beneficiary and would not be applicable in the case of third party endorsements.

Some doubts were raised regarding the term "customer" used above and whether it would include only purchaser / beneficiary or also include any holder of the instrument other than the purchaser or the beneficiary. It is clarified that the above instructions would be applicable only in cases where the request for duplicate demand draft is made by the purchaser or the beneficiary and would not be applicable in the case of draft endorsed to third parties.

d. Remittances through Electronic Mode

In case of remittance through electronic funds transfer, originating branches should provide the option to the customer to choose between RTGS system and NEFT system at the time of

initiation of the funds transfer. The option should be made available to all the customers who may originate remittance either at the branch or through internet or any other means. The funds are to be transferred necessarily through the option chosen by the customer. Further, branches should allow the customers to choose NEFT also as one of the electronic modes of making payment towards loan EMIs / repayments, etc.

e. Providing Positive Confirmation to the Originator

The Bank has put in place an appropriate mechanism to ensure positive confirmation is sent to the remittance originator confirming the successful credit of funds to the beneficiary's account when funds are transferred through NEFT.

f. Payment of penal interest for delayed credit /refunds of NEFT transactions

In case of delay in crediting the beneficiary customer's account or in returning the uncredited amount to the remitter in case of NEFT, branches should pay penal interest. Under the extant guidelines, Bank is required to pay penal interest at the current RBI LAF Repo Rate plus two percent for the period of delay / till the date of refund as the case may be to the affected customers suo moto, without waiting for claim from customers.

Under the NEFT Procedural Guidelines, Banks has established dedicated Customer Facilitation Centres (CFCs) to handle customer queries / complaints regarding NEFT transactions. The contact details of CFCs are available on website of Bank as well as the website of RBI for easy availability to the customers. The Bank keeps the contact details of its CFC set up to handle customer queries / complaints regarding NEFT transactions, updated at all times. Changes, if any, are advised by the Bank immediately to the National Clearing Cell, Nariman Point, RBI for updating the central directory placed on RBI website. The CFC should ensure that calls made / e-mails sent to them are promptly attended to and sufficient resources are dedicated for the same.

g. National Electronic Funds Transfer (NEFT) – Requirement of Indian Financial System Code (IFSC) in transactions

To facilitate electronic modes of remittance and enhancing customer service at branches for NEFT transactions, the participating branches are advised that staff should provide customers with necessary assistance in filling out the details as required in the NEFT application form, including ensuring that beneficiary account details etc. are duly filled in.

h. National Electronic Funds Transfer (NEFT) System - Rationalisation of customer charges

The Maximum Customer charges that the Bank levies for NEFT transactions, in line with the RBI Guidelines are circulated in the Circular on Service Charges. These are also available on the Bank's Website, and the same is subject to change as per RBI Directions.

XXII. Cheque Drop Box Facility

Both the drop box facility and the facility for acknowledgement of the cheques at regular collection counters should be available to the customers and no branch should refuse to give an acknowledgement if the customer tenders the cheques at the counters.

Branch should ensure that customers are not compelled to drop the cheques in the drop-box. Branch should invariably display on the cheque drop-box itself that

"Customers can also tender the cheques at the counter and obtain acknowledgment on the pay-in-slips". The above message is required to be displayed in English, Hindi and the concerned regional language of the State.

All other procedure relating to removal of cheques from the machine as per prescribed time schedule, collection of cheques through clearing and credit to accounts as per system to be followed.

- A Special Crossing rubber stamp with the words **Oriental Bank of Commerce** should be tied with a string to the cheque drop box.
- Another rubber stamp in the following style should also be kept tied with a string to the cheque drop box.

Account Number (14 digits):-

Contact telephone number:-

XXIII. Collection of instruments

Bank's Board approved policy on Cheque Collection & Compensation Policy inter-alia,

includes instructions on the following:

- Immediate Credit for local / outstation cheques
- Time frame for Collection of Local / Outstation Instruments
- Interest payment for delayed collection

- Collection of Account Payee Cheque - Prohibition on Crediting Proceeds to Third Party Account
- Payment of Cheques/Drafts/Pay Orders/Banker's Cheques
- Cheques / Instruments lost in transit / in clearing process / at paying bank's branch
- Bills for Collection
- Payment of Interest for Delays in Collection of Bills.
- Delay in Re-presentation of Technical Return Cheques and Levy of Charges for such Returns.

XXIV. Dishonour of Cheques - Procedure thereof

A. Procedure for return/dispatch of dishonoured cheques

(i) a. Cheques received in inward clearing through clearing houses for payment from customers' account and dishonoured should be returned immediately as per the return discipline prescribed for respective clearing house in terms of Uniform Regulations and Rules for Bankers' Clearing Houses.

b. Such returned cheques received back from the Clearing House/Service Branch should be returned/dispatched to the customers immediately.

(ii) In case of cheques received directly at the branch for debit to customer's account and credit to another customer's account and such cheque getting dishonoured should be returned to the payees/holders immediately.

(iii) Cheques dishonoured for want of funds in respect of all accounts should be returned along with a memo indicating therein the reason for dishonour as "insufficient funds".

(iv) In case of dishonour / return of cheques, the paying branch should clearly indicate the return reason code on the return memo which should also bear the signature / initial of the branch official as prescribed in Rule 6 of the Uniform Regulations and Rules for Bankers' Clearing Houses (URRBCH).

B. Information on dishonoured cheques

a) Regional Offices shall take out monthly report (pertaining to branches under their respective jurisdiction) in respect of each dishonoured cheque for amount of ` 1 crore and above and submit such data to I & C Deptt., Head Office. DIT has enabled this report in Finacle.

b) Branches shall separately consolidate data in respect of cheques drawn in favour of stock exchanges and dishonoured irrespective of the value of such cheques as a part of their MIS relating to broker entities, and submit this report to their respective Regional Office for further submission to I&C Deptt., Head Office.

C. Dealing with incidence of frequent dishonour of cheques and ECS mandate

1. In cases where the cheque of ₹ 1.00 Crore and above issued by a constituent is returned unpaid for the first time for want of funds, except due to technical reasons, a notice should be issued to such customer as to why his/her/their account should not be closed in the first instance of dishonoured, advising him/her/them to maintain sufficient balance in the account for honour of cheques issued by the customer and informing him/her/them that no fresh cheque book would be issued. In cases where there is no improvement even after giving notice and there is second instance of dishonour of cheque of ₹ 1.00 Crore and above for want of funds the branches may consider closing Savings/Current Account after giving notice of 30 days.

However, in respect of advances accounts such as Cash Credit Account, Overdraft Account, the need for continuance or otherwise of these credit facilities and the cheque facility relating to these accounts should be reviewed by appropriate authority higher than the sanctioning authority as soon as the same is referred by the branch maintaining customer's account.

(i) For the purposes of the condition mentioned above in relation to operation of the existing advances accounts, Bank may, at the time of issuing new cheque book, issue a letter advising the constituents of the new condition.

(ii) If a cheque is dishonoured for a third time on a particular account of the drawer during the financial year, bank should issue a cautionary advice to the concerned constituent drawing his attention to aforesaid condition and consequential stoppage of cheque facility in the event of cheque being dishonoured on fourth occasion on the same account during the financial year. Similar cautionary advice may be issued if Bank intends to close the account.

Also for both the Deposit and Advances Accounts, the Regional Heads shall personally monitor the accounts reported with large value cheques dishonoured and will also ensure strict compliance with KYC norms.

2. For cheques of value less than ₹ 1.00 crore, procedure as above should be followed in cases where cheques issued by a constituent are returned unpaid on three occasions for want of funds. An acknowledgement / undertaking should be obtained from the customer for proper conduct of the account, in future.

3. The frequency of a cheques issued and returned unpaid, if any, should be verified while considering request for issue of fresh Cheque Books so that the incidence of cheque returns is reduced. The account holders, who do not keep sufficient balance in their accounts and

cheques are frequently returned due to insufficiency of funds should be identified. Cheque book should be issued to such account holders only after proper inquiry under the authority of Incumbent Incharge and in case of ELBs / VLBs under the authority of Sr. Manager / Manager, so as to discourage them from issuing the cheques without providing for sufficient funds in their accounts.

D. General

(i) For the purpose of adducing evidence to prove the fact of dishonour of cheque on behalf of a complainant (i.e. payee / holder of a dishonoured cheque) in any proceeding relating to dishonoured cheque before a court, consumer forum or any other competent authority, branches should extend full co-operation, and should furnish him/her documentary proof of fact of dishonour of cheques.

(ii) Consolidated data in respect of matters referred to above should be placed before Audit / Management Committee on quarterly basis by I & C Deptt.

E. Procedure for dealing with dishonoured cheques

In order to ensure that the dishonoured / returned cheques are delivered / dispatched on the same day and to prevent any scope for collusion of the staff of the bank or any other person, with the drawer of the cheque for causing delay in or withholding the communication of the fact of dishonour of the cheque to the payee / holder or the return of such dishonour cheque to him Branch Incumbents shall assign this duty to some officer vide Office Order who should be responsible to check whether the returned cheques are being dealt with as per the prescribed procedure. Stern action shall be taken if the guideline is deviated in any manner. Inspecting officials should verify the system adopted by the branch i.e. recording of cheque returns and delivery of such cheques to the customers and satisfy themselves that necessary precautions have been taken.

XXV. Dealing with Complaints and Improving Customer Relations

a. Complaints/suggestions box

Complaints/suggestions box should be provided at each office of the bank. Further, at every office of the bank a notice requesting the customers to meet the branch manager should be displayed regarding grievances, if the grievances remain unredressed.

b. Complaint Book /Register

IBA has, for the sake of uniformity, prepared a format of the complaint book with

adequate number of perforated copies, which are so designed that the complainant could be given an acknowledged copy instantly. A copy of the complaint is required to be forwarded to the concerned controlling office of the bank along with the remark of the Branch Manager within a time frame.

All branches should maintain a separate complaints register in the prescribed format given for entering all the complaints/grievances received by them directly or through their Head Office/Govt. This register should be maintained irrespective of the fact whether a complaint is received or not in the past.

The complaints registers maintained by branches should be scrutinised by the concerned Regional Manager during his periodical visit to the branches and his observations/comments recorded in the relative visit reports.

c. Complaint Form

Further, a complaint form, along with the name of the nodal officer for complaint redressal, is provided in the homepage itself to facilitate complaint submission by customers. The complaint form also indicates the first point for redressal of complaints is the bank itself and that complainants may approach the Banking Ombudsman only if the complaint is not resolved at the bank level within a month.

Information should be displayed in the boards put up in all the branches to indicate the name and address of the Banking Ombudsman. In addition, the name, address and telephone numbers of the controlling authority of the bank to whom complaints can be addressed should also be given prominently.

d. Analysis and Disclosure of complaints -

Disclosure of complaints / unimplemented awards of Banking Ombudsmen along with Financial Results

The Committee on Procedures and Performance Audit on Public Services (CPPAPS) had recommended that banks should place a statement before their Boards analyzing the complaints received. CPPAPS had further recommended that the Statement of complaints and its analysis should also be disclosed by banks along with their financial results. Further, a suggestion has been received that unimplemented awards of the Banking Ombudsman should also be disclosed along with financial results.

Compliance and Complaint Department shall place a statement of complaints before

their Boards / Customer Service Committees along with an analysis of the complaints received. The complaints should be analyzed (i) to identify customer service areas in which the complaints are frequently received; (ii) to identify frequent sources of complaint; (iii) to identify systemic deficiencies; and (v) for initiating appropriate action to make the grievance redressal mechanism more effective.

Further, the following brief details shall be furnished along with the financial results:

A. Customer Complaints

- (a) No. of complaints pending at the beginning of the year
- (b) No. of complaints received during the year
- (c) No. of complaints redressed during the year
- (d) No. of complaints pending at the end of the year

B. Awards passed by the Banking Ombudsman

- (a) No. of unimplemented Awards at the beginning of the year
- (b) No. of Awards passed by the Banking Ombudsmen during the year
- (c) No. of Awards implemented during the year
- (d) No. of unimplemented Awards at the end of the year

e. Grievance Redressal Mechanism

To ensure that a suitable mechanism exists for receiving and addressing complaints from the customers and with specific emphasis on resolving such complaints fairly and expeditiously regardless of source of the complaints the following to be adhered:

- (i) Ensure that the complaint registers are kept at prominent place in the branch which would make it possible for the customers to enter their complaints.
- (ii) The complaints received through letters / forms are to be immediately acknowledged by the Branch Incumbent/ Regional Head.
- (iii) Complaints requiring correction/ regularization should be immediately attended to and those requiring action outside the branch should be taken up immediately and followed up for quick redressal.
- (iv) Complaints emanating from rural areas and those relating to financial assistance to Priority Sector and Government's Poverty Alleviation Programmes should

have the immediate attention of Regional Head for speedy disposal.

(v) Prominently display at the branches - Names of the officials who can be contacted for redressal of complaints, together with their direct telephone.

Telephone Number, Fax Number, Complete Address (not Post Box No.) and e-mail addresses etc. for proper and timely contact by the customers and for enhancing the effectiveness of the redressal machinery.

(vi) The names of the officials displayed at the branches who can be contacted for redressal of complaints should also include the name and other details of the concerned Nodal Officer appointed under the Banking Ombudsman Scheme, 2006.

(vii) Bank has displayed on the web-site, the names and other details of the officials at the Head Office / Regional Offices who can be contacted for redressal of complaints including the names of the Nodal Officers / Principal Nodal Officers.

(viii) Bank has displayed on the web-site, the names and other details of the CMD and also Line Functioning Heads for various operations to enable the customers to approach them in case of need, if necessary.

(ix) Branch/ Regional office shall ensure that the complaints are redressed within the next working day so that they are not included in the statement of complaints.

(x) Where the complaints are not redressed within one month, the concerned branch / Regional Office should forward a copy of the same to the concerned Nodal Officer at R.O/ I&C under the Banking Ombudsman Scheme and keep him updated regarding the status of the complaint. This would enable the Nodal Officer to deal with any reference received from the Banking Ombudsman regarding the complaint more effectively. Further, it is also necessary that the customer is made aware of his rights to approach the concerned Banking Ombudsman in case he is not satisfied with the Bank's response.

(xi) As such, in the final letter sent to the customer regarding redressal of the complaint, banks should indicate that the complainant can also approach the concerned Banking Ombudsman. The details of the concerned Banking Ombudsman should also be included in the letter.

(xii) Bank has placed the grievance redressal policy on the web site. Customer

can view the Status of his complaint any time by entering his reference number, a separate link is given in the website for this purpose.

The Nodal Officers have been designated at all Regional Offices.

Nodal Officers appointed by the Bank shall also communicate with the customer regarding the status of complaint and further he/ she shall also communicate to Complaints Deptt Head Office through mails in this regard.

f. Compensating the customer

The Board approved Compensation Policy of the bank provides for payment of compensation arising under various categories.

(g) Bifurcation of Complaints:

The complaints received from different sources are bi-furcated and recorded as per their source e.g. online, direct, through Banking Ombudsman, RBI, MOF, etc.

(h) Chief Customer Service Officer (CCSO) and his Role:

The Damodaran committee on Customer service had proposed setting up of an Internal Grievance Redressal Mechanism so that the number of cases referred to Banking Ombudsman is minimized. Accordingly the Bank has since appointed Chief Customer Service Officer (CCSO), since June 17, 2013.

The CCSO deals with complaints which have not been resolved by the Bank within 30 days of the date of complaint.

Role of the Chief Customer Service Officer (Internal Ombudsman): If a customer is not satisfied with the reply / resolution given by the Bank or if he / she does not receive reply within a month of his / her complaint lodged at the Branch / Regional Office / Head office levels and the compensation demanded is up to Rs 3 lakhs; he / she can approach to CCSO (Internal Ombudsman). The procedure for filing complaint is as under:

A) The complaint in writing shall be duly signed by the complainant or his / her authorized representative (other than the advocate) stating clearly :

(i) Name and address of the complainant.

(ii) Name and address of the branch or office of the bank against which the complaint is made.

(iii) Reason(s) giving rise to the complaint along with date of reply/resolution given by the bank.

B) The complainant shall file along with the complaint, copies of documents, if any, which he/she proposes to rely upon. The contact details of the CCSO are provided at the branches as well as on the Website of the Bank.

For detailed procedure, a reference can be made to the Bank's policy for "CUSTOMER COMPLAINTS REDRESSAL MECHANISM" available on the Bank's Website"

XXVI. EXTENSION OF SAFE DEPOSIT LOCKER / SAFE CUSTODY ARTICLE FACILITY

a. Allotment of Lockers

Linking of Allotment of Lockers to placement of Fixed Deposits

Branch should not link placement of Deposit by customer seeking allotment of lockers.

b. Fixed Deposit as Security for Lockers

Branch may face situations where the locker-hirer neither operates the locker nor pays rent. To ensure prompt payment of locker rent, branch shall may at the time of allotment, obtain a Fixed Deposit which would cover 3 years rent and the charges for breaking open the locker in case of an eventuality.

However, branch should not insist on such Fixed Deposit from the existing locker-hirers.

c. Wait List of Lockers

Branches should maintain a wait list for the purpose of allotment of lockers and ensure transparency in allotment of lockers. All applications received for allotment of locker should be acknowledged and given a wait list number.

d. Providing a copy of the agreement

Branch should give a copy of the agreement regarding operation of the locker to the locker-hirer at the time of allotment of the locker.

e. Customer due diligence for allotment of lockers /Security aspects relating to Safe Deposit Lockers

(i) Branch should carry out customer due diligence for both new and existing customers at least to the levels prescribed for customers classified as medium risk. If the customer is classified in a higher risk category, customer due diligence as per KYC norms applicable to such higher risk category should be carried out.

(ii) Where the lockers have remained unoperated for more than three years for medium risk category or one year for a higher risk category, branch should immediately contact the locker-hirer and advise him to either operate the locker or surrender it. This exercise should be carried out even if the locker hirer is paying the

rent regularly.

Further, branch should ask the locker hirer to give in writing, the reasons why he / she did not operate the locker. In case the locker-hirer has some genuine reasons as in the case of NRIs or persons who are out of town due to a transferable job etc., branch may allow the locker hirer to continue with the locker.

In case the locker-hirer does not respond nor operate the locker, branch should consider opening the lockers after giving due notice to him.

(iii) Branch should follow the procedure prescribed for breaking open the lockers and taking stock of inventory.

f. Embossing identification code

Branch should ensure that identification Code of the bank / branch is embossed on all the locker keys with a view to facilitate Authorities in identifying the ownership of the locker keys.

XXVII. NOMINATION FACILITY

A. Legal Provisions

Provisions in the Banking Regulation Act, 1949

The Banking Regulation Act, 1949 was amended by Banking Laws (Amendment) Act, 1983 by introducing new Sections 45ZA to 45ZF, which provide, inter alia, for the following matters:

- a. To enable a banking company to make payment to the nominee of a deceased depositor, the amount standing to the credit of the depositor.
- b. To enable a banking company to return the articles left by a deceased person in its safe custody to his nominee, after making an inventory of the articles in the manner directed by the Reserve Bank.
- c. To enable a banking company to release the contents of a safety locker to the nominee of the hirer of such locker, in the event of the death of the hirer, after making an inventory of the contents of the safety locker in the manner directed by the Reserve Bank.

The Banking Companies (Nomination) Rules, 1985

Since such nomination has to be made in the prescribed manner, the Central

Government framed, in consultation with the Reserve Bank of India, the Banking Companies (Nomination) Rules, 1985. These Rules, together with the provision of new Sections 45ZA to 45ZF of the Banking Regulation Act, 1949 regarding nomination facilities were brought into force with effect from 1985.

The Banking Companies (Nomination) Rules 1985 which are self-explanatory provide for:

- (i) Nomination Forms for deposit accounts, articles kept in safe custody and contents of safety lockers.
- (ii) Forms for cancellation and variation of the nominations.
- (iii) Registration of Nominations and cancellation and variation of nominations, and matters related to the above.

B. Nomination facilities in respect of safe deposit locker / safe custody articles

Sections 45ZC to 45ZF of the Banking Regulation Act, 1949 provide for nomination and release of contents of safety lockers / safe custody article to the nominee and protection against notice of claims of other persons. Banks should be guided by the provisions of Sections 45 ZC to 45 ZF of the Banking Regulation Act, 1949 and the Banking Companies (Nomination) Rules, 1985 and the relevant provisions of Indian Contract Act and Indian Succession Act.

In the matter of returning articles left in safe custody by the deceased depositor to the nominee or allowing the nominee/s to have access to the locker and permitting him/them to remove the contents of the locker, the Reserve Bank of India, in pursuance of Sections 45ZC (3) and 45ZE (4) of the Banking Regulation Act, 1949 has specified the formats for the purpose.

In order to ensure that the amount of deposits, articles left in safe custody and contents of lockers are returned to the genuine nominee, as also to verify the proof of death, branches follow the procedure laid down and ensure the prescribed claim formats are used for the purpose.

C. Nomination Facility

a. Sole Proprietary Concern

Branch shall extend the nomination facility also in respect of deposits held in the name of a sole proprietary concern.

b. Nomination Facility in Single Deposit Accounts

Branch should provide guidance to deposit account holders on the benefits of

nomination facility and the survivorship clause.

In case the person opening an account declines to fill in nomination, the branch should explain the advantages of nomination facility. If the person opening the account still does not want to nominate, the branch should ask him to give a specific letter to the effect that he does not want to make a nomination. In case the person opening the account declines to give such a letter, the branch should record the fact on the account opening form and proceed with opening of the account if otherwise found eligible. Under no circumstances, a branch should refuse to open an account solely on the ground that the person opening the account refused to nominate.

D. Acknowledgement of Nomination

in terms of Rules 2(9), 3(8) and 4(9) of the Banking Companies Nomination (Rules), 1985, branches are required to acknowledge in writing to the depositor(s)/ locker hirers(s) the filing of the relevant duly completed Form of nomination, cancellation and / or variation of the nomination.

Branch should therefore strictly comply with the provisions of Banking Regulation Act, 1949 and Banking Companies (Nomination) Rules, 1985 and acknowledgement should be given to all the customers irrespective of whether the same is demanded by the customers.

E. Registering the nomination

In terms of Rules 2(10), 3(9) and 4(10) of the Banking Companies Nomination (Rules), 1985, bank is required to register in its books the nomination, cancellation and / or variation of the nomination. The branch should take immediate action to register nominations or changes therein, if any, made by the depositors(s) / hirers immediately on receipt in the System.

F. Incorporation of the legend “Nomination Registered”

When a account holder has availed himself of nomination facility, the same should be indicated on the passbook so that, in case of death of the account holder, his relatives can know from the pass book that the nomination facility has been availed of by the deceased depositor and take suitable action.

Branch should therefore record on the face of the passbook in addition to the legend “Nomination Registered”, the name of the Nominee in the Pass Books / Statement of Accounts / FDRs, in case the customer is agreeable to the same.

G. Separate nomination for savings bank account and pension account

Nomination facility is available for Savings Bank Account opened for credit of

pension. Banking Companies (Nomination) Rules, 1985 are distinct from the Arrears of Pension (Nomination) Rules, 1983 and nomination exercised by the pensioner under the latter rules for receipt of arrears of pension will not be valid for the purpose of deposit accounts held by the pensioners with banks for which a separate nomination is necessary in terms of the Banking Companies (Nomination) Rules, 1985 in case a pensioner desires to avail of nomination facility.

H. Nomination Facility - Certain Clarifications

Nomination facility in respect of deposits

- (i) Nomination facility is intended for individuals including a sole proprietary concern.
- (ii) Rules stipulate that nomination shall be made only in favour of individuals. As such, a nominee cannot be an Association, Trust, Society or any other Organisation or any office-bearer thereof in his official capacity. In view thereof any nomination other than in favour of an individual will not be valid.
- (iii) There cannot be more than one nominee in respect of a joint deposit account.
- (iv) Branch shall allow variation/cancellation of a subsisting nomination by all the surviving depositor(s) acting together. This is also applicable to deposits having operating instructions "either or survivor".
- (v) In the case of a joint deposit account the nominee's right arises only after the death of all the depositors.

I. Nomination in Safe Deposit Lockers / Safe Custody Articles

- (i) Nomination facilities are available only in the case of individual depositors and not in respect of persons jointly depositing articles for safe custody.
- (ii) Section 45ZE of the Banking Regulation Act, 1949 does not preclude a minor from being a nominee for obtaining delivery of the contents of a locker. However, the responsibility of the branch in such cases is to ensure that when the contents of a locker were sought to be removed on behalf of the minor nominee, the articles were handed over to a person who, in law, was competent to receive the articles on behalf of the minor.
- (iii) As regards lockers hired jointly, on the death of any one of the joint hirers, the contents of the locker are only allowed to be removed jointly by the nominees and the survivor(s) after an inventory was taken in the prescribed manner. In such a case, after

such removal preceded by an inventory, the nominee and surviving hirer(s) may still keep the entire contents with the same bank, if they so desire, by entering into a fresh contract of hiring a locker.

XXVIII. Settlement of claims in respect of deceased depositors - Simplification of procedure.

Provisions of the Banking Regulation Act, 1949

Banks are governed by the provisions of Sections 45 ZA to 45 ZF of the Banking Regulation Act, 1949 and the Banking Companies (Nomination) Rules, 1985.

a. Accounts with survivor/nominee clause

In the case of deposit accounts where the depositor had utilized the nomination facility and made a valid nomination or where the account was opened with the survivorship clause ("either or survivor", or "anyone or survivor", or "former or survivor" or "latter or survivor"), the payment of the balance in the deposit account to the survivor(s)/nominee of a deceased deposit account holder represents a valid discharge of the bank's liability provided :

- (a) the bank has exercised due care and caution in establishing the identity of the survivor(s) / nominee and the fact of death of the account holder, through appropriate documentary evidence;
- (b) there is no order from the competent court restraining the bank from making the payment from the account of the deceased; and
- (c) it has been made clear to the survivor(s) / nominee that he would be receiving the payment from the bank as a trustee of the legal heirs of the deceased depositor, i.e., such payment to him shall not affect the right or claim which any person may have against the survivor(s) / nominee to whom the payment is made.

It may be noted that since payment made to the survivor(s) / nominee, subject to the foregoing conditions, would constitute a full discharge of the bank's liability, insistence on production of legal representation is superfluous and unwarranted and only serves to cause entirely avoidable inconvenience to the survivor(s) / nominee and would, therefore, invite serious supervisory disapproval. In such case, therefore, while making payment to the survivor(s) / nominee of the deceased depositor, the banks should desist from insisting on production of succession

certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the survivor(s)/nominee, irrespective of the amount standing to the credit of the deceased account holder.

b. Accounts without the survivor / nominee clause

In case where the deceased depositor had not made any nomination or for the accounts other than those styled as "either or survivor" (such as single or jointly operated accounts), banks are required to adopt a simplified procedure for repayment to legal heir(s) of the depositor keeping in view the imperative need to avoid inconvenience and undue hardship to the common person. In this context, banks may, keeping in view their risk management systems, fix a minimum threshold limit, for the balance in the account of the deceased depositors, up to which claims in respect of the deceased depositors could be settled without insisting on production of any documentation other than a letter of indemnity.

c. Premature Termination of term deposit accounts

To incorporate a clause in the account opening form for term deposit to the effect that in the event of the death of the depositor, premature termination of term deposits would be allowed. The conditions subject to which such premature withdrawal would be permitted may also be specified in the account opening form. Such premature withdrawal would not attract any penal charge.

d. Treatment of flows in the name of the deceased depositor

In order to avoid hardship to the survivor(s) / nominee of a deposit account, banks should obtain appropriate agreement / authorization from the survivor(s) / nominee with regard to the treatment of pipeline flows in the name of the deceased account holder. In this regard, banks could consider adopting either of the following two approaches:

The bank could be authorized by the survivor(s) / nominee of a deceased account holder to open an account styled as 'Estate of Shri _____, the Deceased' where all the pipeline flows in the name of the deceased account holder could be allowed to be credited, provided no withdrawals are made.

OR

The bank could be authorized by the survivor(s) / nominee to return the pipeline flows to the remitter with the remark "Account holder deceased" and to intimate the survivor(s) / nominee accordingly. The survivor(s) / nominee / legal heir(s) could then approach the

remitter to effect payment through a negotiable instrument or through ECS transfer in the name of the appropriate beneficiary.

e. Interest payable on the deposit account of deceased depositor

In the case of a term deposit standing in the name/s of

- (i) a deceased individual depositor, or
- (ii) two or more joint depositors, where one of the depositors has died,

In the case of balances lying in current account standing in the name of a deceased individual depositor/sole proprietorship concern, interest should be paid only from 1st May, 1983, or from the date of death of the depositor, whichever is later, till the date of repayment to the claimant/s at the rate of interest applicable to savings deposit as on the date of payment.

f. Time limit for settlement of claims

Branch should settle the claims in respect of deceased depositors and release payments to survivor(s) / nominee(s) within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claim(s), to the bank's satisfaction.

Respective departments shall report to the Customer Service Committee of the Board, at appropriate intervals, on an ongoing basis, the details of the number of claims received pertaining to deceased depositors / locker-hirers / depositors of safe custody article accounts and those pending beyond the stipulated period, giving reasons therefore.

g. Settlement of Deceased Cases -Claim Forms to be made available

With a view to facilitate timely settlement of claims on the death of a depositor, branches are advised to provide claim forms for settlement of claims of the deceased accounts, to any person/s who is/are approaching the bank / branches for forms. Claim forms have also been put on the bank's website prominently so that claimants of the deceased depositor can access and download the forms without having to visit the concerned branch for obtaining such forms for filing claim with the bank.

h. Access to the safe deposit lockers / safe custody articles return of safe custody articles to Survivor(s) / Nominee(s) / Legal heir(s)

For dealing with the requests from the nominee(s) of the deceased locker-hirer /

depositors of the safe-custody articles (where such a nomination had been made) or by the survivor(s) of the deceased (where the locker / safe custody article was accessible under the survivorship clause), for access to the contents of the locker / safe custody article on the death of a locker hirer / depositor of the article, the banks are advised to adopt generally the foregoing approach, mutatis mutandis, as indicated for the deposit accounts. Detailed guidelines in this regard are, however, as follows:

i. Access to the safe deposit lockers / return of safe custody articles (with survivor/nominee clause)

If the sole locker hirer nominates a person, banks should give to such nominee access of the locker and liberty to remove the contents of the locker in the event of the death of the sole locker hirer. In case the locker was hired jointly with the instructions to operate it under joint signatures, and the locker hirer(s) nominates person(s), in the event of death of any of the locker hirers, the bank should give access of the locker and the liberty to remove the contents jointly to the survivor(s) and the nominee(s). In case the locker was hired jointly with survivorship clause and the hirers instructed that the access of the locker should be given over to "either or survivor", "anyone or survivor" or "former or survivor" or according to any other survivorship clause, banks should follow the mandate in the event of the death of one or more of the locker-hirers.

However, branch should take the following precautions before handing over the contents:

(a) Branch should exercise due care and caution in establishing the identity of the survivor(s) / nominee(s) and the fact of death of the locker hirer by obtaining appropriate documentary evidence;

(b) Branch should make diligent effort to find out if there is any order from a competent court restraining the bank from giving access to the locker of the deceased; and

(c) Branch should make it clear to the survivor(s) / nominee(s) that access to locker / safe custody articles is given to them only as a trustee of the legal heirs of the deceased locker hirer i.e., such access given to him shall not affect the right or claim which any person may have against the survivor(s) / nominee(s) to whom the access is given.

Similar procedure should be followed for return of articles placed in the safe custody of the bank. Banks should note that the facility of nomination is not available in case of deposit of safe custody articles by more than one person.

Branch should note that since the access given to the survivor(s) / nominee(s), subject to the foregoing conditions, would constitute a full discharge of the bank's liability, insistence on production of legal representation is superfluous and unwarranted and only serves to cause entirely avoidable inconvenience to the survivor(s) / nominee(s) and would, therefore, invite serious supervisory disapproval. In such case, therefore, while giving access to the survivor(s) / nominee(s) of the deceased locker hirer / depositor of the safe custody articles, the banks should desist from insisting on production of succession certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the survivor(s)/nominee(s).

j. Access to the safe deposit lockers / return of safe custody articles (without survivor/nominee clause)

There is an imperative need to avoid inconvenience and undue hardship to legal heir(s) of the locker hirer(s). In case where the deceased locker hirer had not made any nomination or where the joint hirers had not given any mandate that the access may be given to one or more of the survivors by a clear survivorship clause, Branch should follow the guidelines in the matter. Similar procedure should be followed for the articles under safe custody of the bank.

k. Preparing Inventory

Branch should prepare an inventory before returning articles left in safe custody / before permitting removal of the contents of a safe deposit locker as advised in terms of Notification DBOD.NO.Leg.BC.38/ C.233A-85 dated March 29, 1985. The inventory shall be in the prescribed Forms of the bank.

Branch is not required to open sealed/closed packets left with them for safe custody or found in locker while releasing them to the nominee(s) and surviving locker hirers / depositor of safe custody article.

Further, in case the nominee(s) / survivor(s) / legal heir(s) wishes to continue with the locker, banks may enter into a fresh contract with nominee(s) / survivor(s) / legal heir(s) and also adhere to KYC norms in respect of the nominee(s) / legal heir(s).

I. Customer guidance and publicity

Bank has placed on the website the instructions along with the policies / procedures for giving access of the locker / safe custody articles to the nominee(s) / survivor(s) / Legal Heir(s) of the deceased locker hirer / depositor of the safe custody articles.

m. Settlement of claims in respect of missing persons

Branches are advised to follow the prescribed procedure in case a claim is received from a nominee / legal heirs for settlement of claim in respect of missing persons :-

The settlement of claims in respect of missing persons would be governed by the provisions of Section 107 / 108 of the Indian Evidence Act, 1872. Section 107 deals with presumption of continuance and Section 108 deals with presumption of death. As per the provisions of Section 108 of the Indian Evidence Act, presumption of death can be raised only after a lapse of seven years from the date of his/her being reported missing. As such, the nominee / legal heirs have to raise an express presumption of death of the subscriber under Section 107/108 of the Indian Evidence Act before a competent court. If the court presumes that he/she is dead, then the claim in respect of a missing person can be settled on the basis of the same.

Branches are advised to follow the procedure laid by the bank.

n. Settlement of Claims in respect of Missing Persons in Uttarakhand Disaster

In the aftermath of Uttarakhand Natural Disaster during June 14-20, 2013 the Office of the Ministry of Home Affairs (Registrar General of India), Government of India has devised a procedure for Registration of Death of Missing person and issue of Certificate – “Presumed Death of a person reportedly missing since his or her visit to the site of disaster in Natural Calamities affected areas in Uttarakhand vide its circular F. No. 1/2/(Uttarakhand)/2011-VS-CRS dated August 16, 2013 (MHA Circular).

Ministry of Finance, vide their letter dated 09.09.2013 issued necessary guidelines to the Banks, on the lines of instructions issued by the Ministry of Home Affairs to enable the nominees / next of kin to operate the accounts of the persons who are presumed dead at the disaster site of Uttarakhand.

All the Regional Heads have already been instructed, vide Head Office R&L Deptt Circular Letter dated 27.11.2013; to advise branches falling under their jurisdiction not to insist upon any document other than (i) Death Certificate of a missing person since his / her visit to

disaster site in Uttarakhand in June 2013 issued by the designated Officer (Pargana Adhikari / SDM) and (ii) Letter of Indemnity while settling claims in respect of missing persons in Uttarakhand Disaster.

o. Release of other assets of the deceased borrowers to their legal heirs

Banks had represented that the principle of not obtaining succession certificates etc., could be extended for settlement of claims in respect of other assets of deceased customers including securities held against advances after adjustment thereof. Branches are advised not to insist upon legal representation for release of other assets of deceased customers irrespective of the amount involved.

Branches shall, however, call for succession certificates from legal heirs of deceased borrowers in cases where there are disputes and all legal heirs do not join in indemnifying the bank or in certain other exceptional cases where the bank has a reasonable doubt about the genuineness of the claimant/s being the only legal heir/s of the borrower.

XXIX. Unclaimed Deposits / Inoperative Accounts

A.Guidelines

Section 26 of the Banking Regulation Act, 1949 provides, inter alia, that every banking company shall, within 30 days after close of each calendar year submit a return in the prescribed form and manner to the Reserve Bank of India as at the end of each calendar year (i.e., 31st December) of all accounts in India which have not been operated upon for 10 years.

Guidelines on classification of accounts as inoperative are issued from time to time In order to arrest the increasing number of inoperative/ unclaimed deposits, the inherent risk associated with such deposits and the increasing number of complaints received in respect of difficulties faced by the customers on account of their accounts having been classified as inoperative we are re-iterating the guidelines for classifying the accounts as inoperative and the action to be taken for preventing the accounts falling into inoperative category.

B. Review of all Operative Accounts

(i) An annual review of accounts in which there are no operations (i.e. no credit or debit other than crediting of periodic interest or debiting of service charges) for more than one year should be done. The customers (all the joint holders) should be approached and/ or informed in writing that there has been no operation in their accounts. Such customers should be requested to intimate the reasons for the same. In case the non-operation in the account is due to shifting of the customers from the

locality, they may be asked to provide the details and proof of the new address in case they intend to continue their bank account or they may be requested to get their accounts transferred to branches of our bank near their present place of residence.

(ii) If the letters are returned undelivered, they may immediately be put on enquiry to find out the whereabouts of customers or their legal heirs in case they are deceased.

(iii) In case the whereabouts of the customers are not traceable, the persons who had introduced the account holder should be contacted. In case the introducer is not available/ cannot be contacted, efforts should be made to contact the employer / or any other person whose details are available with them. The account holder can also be telephonically contacted in case his telephone number / Cell number is available. In case of Non Resident accounts, the account holders can also be contacted through email for obtaining their confirmation of the details of the account.

C. Issuing Advance Notice to Customers

For compliance with BCSBI guidelines, branches should intimate customers (all the joint holders) three months in advance about his/ her account falling into inoperative category and the consequences thereof in case no credits/ debits are made within the stipulated period. For this the following procedure should be followed:

1. Take printout of all in-operative accounts at the branch through Menu Option MISREP-BRREP-DORMANTLIST and issue letters to all such account holders advising them to inform the reasons of non-operation alongwith a confirmation that they intend to operate the account. The format of confirmation letter along with self-addressed envelope should be attached with the letter issued to customer so that reply is received from maximum number of such customers.

2. A report of all the accounts which will fall in the in-operative category at a future date should be taken out as follows:

i) Besides the annual review as above, the first report should be taken out for accounts, which will be categorized as dormant within next 4 months (as per BCSBI banks have to inform about the customer three months before his/ her account is classified as dormant / inoperative). The format of the letter to be issued to such account holders has also been drafted by DIT/ CBS and can be generated from the system.

ii) The next statement can be taken out on monthly basis and letters issued for the accounts, which will be, categorized as dormant after the next 3 months i.e. in the 4th month from the date of statement.

3. On receipt of confirmation letter from the customers whose accounts have already fallen into in-operative category, the status of such accounts should be converted to active and further operations allowed.

D. Treatment of Account as Inoperative

A savings as well as current account should be treated as inoperative / dormant:

a) if there are no transactions in the account for over a period of two years. For the purpose of classifying an account as “inoperative” both the type of transactions i.e. debit as well as credit transactions induced at the instance of customers as well as third party should be considered.

b) RBI vide its Notification No. DBOD.Leg. No.BC. 55 /09.07.005 /2009-10 dt. 30.10.2009 has further clarified that in cases where the customer has given a mandate for crediting the interest on Fixed Deposit account to the Savings Bank account and there are no other operations in the Savings Bank account the same should be treated as a customer induced transaction and the account should be treated as operative account as long as the interest on Fixed Deposit account is credited to the Savings Bank account. The Savings Bank account can be treated as inoperative account only after two years from the date of the last credit entry of the interest on Fixed Deposit account.

c) RBI, vide its Circular No. RBI/2014-15/200 DBOD.No.Leg.BC.36/09.07.005/2014-15 dated 1.09.2014 has further clarified that in cases where the customer has given a mandate for crediting the dividend on shares to the Savings Bank account and there are no other operations in the Savings Bank account the same should be treated as a customer induced transaction and the account should be treated as operative account as long as the dividend on shares is credited to the Savings Bank account. The Savings Bank account can be treated as inoperative account only after two years from the date of the last credit entry of the dividend on shares.

However, the service charges levied by the bank or interest credited by the bank should not be considered.

(II) In case any reply is given by the account holder giving the reasons for not operating the account, branches should continue classifying the same as an operative account for one more year within which period the account holder may be requested to operate the account. However, in case the account holder still does not operate the same during the extended period, such account should be classified as inoperative account after the expiry of the extended period.

(III) It is informed that the segregation of accounts as inoperative accounts is done from the point of view of reducing risk of frauds etc. However, the customer should not be inconvenienced in any way, just because his/ her account has been rendered inoperative. The classification is done only to bring to the attention of dealing staff, the increased risk in the account. Such transaction should be monitored at a higher level i.e. by Branch Incumbent/ Hall-incharge when incumbent incharge is away both from the point of view of preventing fraud and making a Suspicious Transactions Report. However, the entire process should remain un-noticeable by the customer.

(IV) Operation in such accounts be allowed by competent authority after due diligence as per risk category of the customer. Due diligence would mean ensuring genuineness of the transaction, verification of the signature and identity etc. However, it has to be ensured that the customer is not inconvenienced as a result of extra care taken by the bank.

E. Guidelines for internal / concurrent / statutory auditors of the Bank

The internal auditors / statutory auditors of the Bank should properly audit the amounts lying in in-operative accounts at the respective branch.

F. Crediting of Interest on In-operative Savings Bank A/cs and Unclaimed Term Deposit Accounts

Interest on Savings Bank accounts should be credited on regular basis as per the system in vogue whether the account is operative or not. In case of Fixed Deposit Receipt where the proceeds are not claimed on maturity, interest at the rate applicable to Savings Bank accounts should be paid on such unclaimed amount. As such, provision of interest on ODFD accounts is being made on quarterly basis by the Accounts Department, Head Office at the rate applicable to Savings Bank Account. Hence no provision shall be made at branch level.

G. Conducting of Special Drive

Branches are advised to launch a special drive for finding the whereabouts of the customers / legal heirs in respect of existing accounts which have already been transferred to the separate ledger of „inoperative accounts“ .

H. Treatment of certain Savings Bank Accounts opened for credit of Scholarship Amounts and credit of Direct Benefit Transfer under Government Schemes

State and Central Governments have experienced difficulties in crediting cheques/Direct Benefit Transfer/Electronic Benefit Transfer/Scholarships for students, etc. into accounts/Accounts with zero balance opened for the beneficiaries under various Central/State Government schemes but had been classified as dormant/inoperative due to non-operation of the account for over two years.

Keeping the above in view, bank has already allotted a different “product code” i.e. SB228 in CBS for all such accounts opened by branches where the stipulation of inoperative/dormant account due to non-operation does not apply while crediting proceeds as mentioned above.

In order to reduce the risk of fraud etc., in such accounts, while allowing operations in these accounts, due diligence should be exercised by ensuring the genuineness of transactions, verification of signature and identity, etc.

However, it has to be ensured that the customer is not inconvenienced in any manner.

XXX. The Depositor Education and Awareness Fund (DEAF) Scheme, 2014, Section 26A of Banking Regulation Act, 1949.

The Depositor Education and Awareness Fund Scheme, 2014 has been notified in the Official Gazette on May 24, 2014 In terms of Section 26A (2) of the Banking Regulation Act, 1949, in respect of unclaimed amount transferred to the Depositor Education and Awareness Fund (Fund), a bank shall be liable to repay a depositor or any other claimant, claiming his deposit or unclaimed amount, at such rate of interest as may be specified by the Reserve Bank in this behalf. In terms of Section 26A(3) of the said Act, where a bank has paid such amount or allowed operation of such account or deposit, such banking company may apply for refund of such amount from the Fund.

Bank shall preserve records/documents containing details of all accounts and transactions, including deposit accounts in respect of which amounts are required to be credited to the Fund

permanently; and where refund has been claimed from the Fund, bank shall preserve records/documents in respect of such accounts and transactions, for a period of at least five years from the date of refund from the Fund.

XXXI. Other Guidelines

a. Code of Bank's commitment to Customers (January 2014)

The Banking Codes and Standards Board of India (BCSBI) was set up on 18.02.2006. The BCSBI has evolved the 'Code of Bank's Commitment to Customers' (Code) in consultation with the Indian Bank's Association (IBA) with the objective to set higher benchmark for Customer service in the Bank to promote good and fair banking practices, increase transparency, encourage market forces through healthy competition and to promote co-ordinal relationship between the Bank and Customers.

Our Bank being member bank of BCSBI has adopted this Code and Code for MSME, which is a voluntary Code and sets minimum Standards of Fair Banking Practices for the Bank to follow when the staff is dealing with INDIVIDUAL Customers, Depositors as well as Borrowers. It provides protection to Customers and also explains how our Bank Staff is expected to deal with the Customers for their day-to-day operations.

b. Publicizing the Code of Bank's Commitment to Customers January 2014

The Bank provides commitment to the customers in terms of offering prompt and efficient services for various products in the most transparent manner.

The BCSBI Code shall prominently be displayed at a prominent place inside branch premises.

The code has also been put on Bank's website www.obcindia.co.in and sufficient copies of the code have been got printed at HO level and supplied to all ROs for further distribution to branches so that the same are made available to all the customers. The branch staff will ensure as under:

- a) All the existing customers are provided with the copy of the code.
- b) All the new customers are provided the copy of the code when they open their account with us.
- c) The staff, especially customer-facing staff including those dealing with

customers by telephone or e-mail, must equip themselves with the main purpose of the code so as to provide relevant information about the code and to put the code into practice. It is important that the code requirements are reflected in the procedures they follow for their day-to-day operations.

d) This Code shall be translated in Hindi and other Regional languages and shall be made available to the customers as per the requirement.

c. Application of Code

Unless it says otherwise, all parts of the Code of Bank's Commitment to Customers apply uniformly for all the products and services (as described below) to all the Individual customers of the Bank, whether they are Provided, by the Branches / Extension Counters, or Subsidiaries/ other offices across the counter, over the Phone, by Post, or through interactive electronic devices such as ATMs, Internet / Telephone Banking, etc. The Code also applies to third party products which are sold or marketed by the Bank, or through Direct Sales Agents (DSA) irrespective of method of marketing e.g., at present our Bank is selling / marketing products of Life Insurance of our Joint Venture, Oriental Insurance Company Ltd. and Mutual Funds.

Customers can also contact The Banking Codes and Standards Board of India for any help at the address mentioned above.

d. Nodal Officer (Bank's Code for Commitment to Customers)

Bank has also nominated a senior official to act as Nodal Officer for Implementation of the code. Any user having any Complaint regarding Implementation of the same may contact the Nodal Officer at Address as under: -

Charanjit Singh, General Manager (Complaints)
Principal Code Compliance Officer (PCCO)
Oriental Bank of Commerce,
Corporate Office, Plot No. - 5,
Sector-32, Institutional Area, Gurgaon-122001.
Telephone(s): 0124-4126371, Fax: 0124-4126378.
E-mail: charanjit@obc.co.in

e. Fair Practices Code for Lenders

In compliance with the Code as above guidelines

1) for furnishing of a copy of the Loan Agreement along with a copy each of all the enclosures quoted in the Loan agreement at the time of sanction/disbursement of loan are conveyed from time to time.

2) For inclusion of information about the process fee/charges if any, the amount of such fee refundable in case of non- acceptance of application, pre-payment options and other matter which affect the interest of the borrower in the loan application form are conveyed from time to time

3. For keeping a check on the number of accounts being categorized as inoperative and in view of BCSBI guidelines regarding “No Frill Accounts” i.e. “while giving any reference/ report to another bank for No Frills Account, it must be indicated so and also as to whether modified documentation, if any, has been obtained for identification”. In view of these guidelines, branches should affix a rubber stamp with the following phrase on passbooks issued to Basic Banking Account holders so that the account is not opened solely for the purpose of getting an address proof.

“Basic Banking Account- Proof of address/ identification to be obtained” At places where clearing operations are centralized.

At Centers where inward clearing is centralized, the branches have been provided a facility under Centralized Debit system whereby they can view/ have access to their respective inward clearing cheques so that they may consider granting the TOD facility on merits. Branches are also required to post all cash/ transfer credit entries expeditiously preferably before 1.00 0” clock/ as per the prescribed time depending upon the permitted time for returning of cheques so as to ensure that no cheque gets returned unpaid just because of delayed credits by the branches. Branches are also required to ensure that the D.P./ Limit is correctly marked/ updated in the CBS system. As such, the official allotted the duty of viewing these instruments and referring the matter to Branch Incumbent/ Hall-in-charge for TOD should also take out validation report and refer cheques received in in-operative accounts to BI/ Hall-in-charge for doing the needful. It shall be ensured at the branches that no cheque received in in-operative accounts is returned unpaid without reference to Branch Incumbent/ Hall-incharge and the customer is not inconvenienced in any way, just because his/ her account has been rendered inoperative. The Centralized Clearing Officials must also without fail check with the respective branch before returning cheques in inoperative accounts.

f. At Centers where outward clearing is centralized

Deposit of Clearing Cheques in Dormant Accounts in Cheque Truncation System (CTS)

The amount of cheque received for collection through clearing to a dormant account be credited to Insolgen Account of the respective branch. After the clearing cheque is realized, the Insolgen Account be debited and the amount so realized be credited to respective Dormant Account of the customer. However, the branches/ Service Branch should ensure that entries in this head of account are reversed within the prescribed timeframe.

g. Customer Confidentiality Obligations

The scope of the secrecy law in India has generally followed the common law principles based on implied contract. The bankers' obligation to maintain secrecy arises out of the contractual relationship between the banker and customer, and as such no information should be divulged to third parties except under circumstances which are well defined. The following exceptions to the said rule are normally accepted:

- (i) Where disclosure is under compulsion of law
- (ii) Where there is duty to the public to disclose
- (iii) Where interest of bank requires disclosure and
- (iv) Where the disclosure is made with the express or implied consent of the customer.

h. Collecting Information from customers for cross-selling purposes

At the time of opening of accounts of the customers, the information provided by the customer for KYC compliance while opening an account is confidential and branch should treat the information collected from the customer as confidential and not divulge any details thereof for cross selling or any other purposes.

Any information about the customer for a purpose may be collected separately, purely on a voluntary basis, after explaining the objectives to the customer and taking his express approval for the specific uses to which such information could be put.

i. Transfer of account from one branch to another

Instructions of a customer for transfer of his account to another office should be carried out immediately on receipt of, and in accordance with, his instructions. It should be ensured that along with the balance of the account, the relative account opening form, specimen signatures, standing instructions, etc., are also simultaneously transferred, under advice to the customer.

When an office receives an enquiry from a customer regarding the receipt of his account on transfer from another office it should take up the matter with the transferor office by electronic means, in case it has not received the balance of the account and/or other related papers even after a reasonable transit time.

j. Switching banks by customers

Branches should ensure that depositors dissatisfied with customer service will switch banks and thwarting depositors from such switches would invite serious adverse action.

k. Co-ordination with officers of Central Board of Direct Taxes

Branch should extend necessary help / co-ordination to tax officials whenever required.

l. Declaration of Holiday under the Negotiable Instruments Act, 1881

In terms of Section 25 of the Negotiable Instruments Act, 1881, the expression "public holiday" includes Sunday and any other day declared by the Central Government by notification in the Official Gazette to be a public holiday.

This implies that when Central Government itself has notified a day as "public holiday" under Section 25 of the Negotiable Instruments Act, 1881, there is no need for banks to wait for the State Government notification.

XXXII. MISCELLANEOUS

a. Accepting standing instructions of customers

Standing instructions should be freely accepted on all current and savings bank accounts. The standing instructions service shall include payments on account of taxes, rents, bills, school / college fees, licenses, etc.

b. Rounding off of transactions:

All transactions, including payment of interest on deposits/charging of interest on advances, should be rounded off to the nearest rupee i.e., fractions of 50 paise and above shall be rounded off to the next higher rupee and fraction of less than 50 paise shall be ignored. Issue prices of cash certificates should also be rounded off in the same manner.

However, branch should ensure that cheques / drafts issued by clients containing fractions of a rupee are not rejected or dishonored by them.